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Prime Minister's schedule, October 17

NIKKEI (Page 2) (Full)

October 18, 2007

09:05

Met at Kantei with Deputy Chief Cabinet Secretary Iwaki.

10:00

Attended Upper House Budget Committee session.

12:48

Met at Kantei with Cabinet Office Vice Minister Uchida.

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13:00

Attended Upper House Budget Committee session.

18:14

Met at Kantei with Chief Cabinet Secretary Machimura. Attended National Security Council meeting. Attended afterwards extraordinary cabinet meeting.

18:59

Attended Economic and Fiscal Policy Council meeting.

20:51

Returned to his private residence in Nozawa.

4) New antiterrorism legislation submitted to Diet; Refueling operation to be discontinued

MAINICHI (Top play) (Excerpts)

October 18, 2007

The government adopted at a special cabinet meeting yesterday a new antiterrorism bill to continue the Maritime Self-Defense Force's refueling operation in the Indian Ocean. The bill was later submitted to the Diet. Although the current Antiterrorism Special Measures Law expires on Nov. 1, there is no prospect that the new law will clear the Diet by then. As such, the government will inevitably be forced to recall the MSDF supply vessel temporarily. The MSDF will not be able to resume its operation in the Indian Ocean until the new law takes effect. Forcible enactment of the law might throw the Diet into turmoil and that might result in Lower House dissolution for a snap general election. Prime Minister Yasuo Fukuda is now under pressure to steer a difficult course to resolve this situation.

The government has decided to present the new legislation replacing the current law, concluding that the temporary suspension of the refueling operation would be inevitable.

At yesterday's House of Representatives Rules and Administration Committee directors meeting, the ruling bloc expressed its desire to explain the new legislation at a plenary session as early as Oct. 18. The opposition bloc rejected the request as being premature. The opposition parties are set not to begin deliberations this week. The explanation of the bill may not occur until Oct. 23 or later.

Major opposition Democratic Party of Japan (DPJ) Secretary-General Yukio Hatoyama underlined the party's intention to block the new law's passage, saying to reporters: "Be it refueling activities or whatever, we are opposed to a bill intended to cooperate in a war." In order to enact the new legislation, the current session of the Diet must be extended beyond the Nov. 10 deadline.

A lengthy extension might affect the planned year-end budget compilation. A short extension or no extension might prompt Washington to question Tokyo's commitment to the war on terrorism.

In the event the legislation fails to clear the opposition-controlled House of Councillors, the ruling bloc would have to aim at re-adoption by the Lower House by using the two-thirds majority rule. Such an event is likely to draw fire from the opposition bloc as neglecting the Upper House. Consequently, the

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Upper House might pass a censure motion against Prime Minister Fukuda and that might be followed by Lower House dissolution and a snap general election.

5) MSDF pullout set for Nov. 2

YOMIURI (Page 1) (Full)
October 18, 2007

The Maritime Self-Defense Force-currently tasked with refueling activities in the Indian Ocean under the Antiterrorism Special Measures Law-will be ordered soon to withdraw its squadron of vessels there. Since the antiterror law is set to expire Nov. 1, the government decided yesterday to recall the MSDF squadron on Nov. 2. The MSDF supply ship Tokiwa and destroyer Kirisame, currently engaged in refueling activities in the Indian Ocean, will carry out their last fuel supply there on Oct. 27 and return home in about three weeks.

The government first considered keeping the MSDF squadron in neighboring waters even after its withdrawal for exchanges or training exercises with foreign naval vessels from the perspective of resuming its activities at an early date. The government decided in a cabinet meeting yesterday to adopt a new antiterror legislation. However, the new legislation is not expected to get through the Diet. The government therefore deemed it unavoidable to recall the MSDF squadron.

Japan has so far provided fuel to naval vessels from 11 countries in the Indian Ocean, including the United States, Britain, and Pakistan. The government, following up its decision to withdraw the MSDF vessels, will contact these countries through diplomatic channels, such as their ambassadors in Japan, to explain its MSDF withdrawal decision as well as its course of action to enact the new legislation into law at an early date. Meanwhile, on Oct. 17-18, the United States will host a meeting of liaison officers from foreign naval forces participating in maritime interdiction operations. On that occasion as well, Japan will convey such a course of action. In addition, the government is also planning to release a statement on Nov. 1 through the chief cabinet secretary.

6) Possibility that resumption of MSDF refueling operation will not be until after next spring, with ruling parties cautious about re-voting on the bill in the Lower House (Nikkei)

NIKKEI (Page 3) (Excerpts)
October 18, 2007

With the Antiterrorism Special Measures Law that authorizes refueling operations by the Maritime Self-Defense Force (MSDF) in the Indian Ocean expiring on Nov. 1, Defense Minister Ishiba next week will order the MSDF to cease operations on that day. The new antiterrorism bill that would allow refueling to continue could be passed even if it is rejected in the Upper House, where the opposition parties hold a majority, under a constitutional provision, if the Lower House re-votes on the bill and it passes by a two-thirds majority. However, within the ruling parties, there is a deep-seated caution about re-voting on the bill, and the possibility is growing greater that the restarting of the refueling could slip until after next spring.

The defense minister order to halt operations is in fact an order

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for the ships to withdraw from the area. The government already has informed the United States, Britain and other concerned countries of its intention. It will take two or three weeks for the ships to return to Japan, and they will probably arrive home around Nov. 20.

"As long as there is the possibility of the Democratic Party of Japan (DPJ or Minshuto) showing some good sense, there is no need at this point to talk about a two-thirds (re-vote in the Lower House)," Liberal Democratic Party (LDP) Secretary General Ibuki told the press corps yesterday, making it clear that he was negative about the Lower House taking another vote after the bill is rejected by the Upper House.

Alarm about censure motion against the prime minister

The ruling camp's reason for being reluctant to re-vote on the bill is because the DPJ will then lash back by presenting and then passing a censure motion in the Upper House against the prime minister. If deliberations stop in the Upper House and the political situation is thrown into disarray, the possibility emerges of the ruling camp being pressed toward Diet dissolution and a snap election.

If it comes to the option of re-voting on the bill not being used, as long as the DPJ does not turn toward approval of the bill, there is no hope for its passage. Chief Cabinet Secretary Machimura at a press conference last evening pointed out: "A positive change can be seen in the DPJ about the need to respond in some fashion." He added: "I have the impression that gradually that conditions are being built for talks." He expressed his expectation for the DPJ to adopt a flexible stance.

Priority on budget deliberation

Even if the deliberation on the new anti-terror bill is carried over to the next regular Diet session that starts in January, the prospect for its passage remains unclear. The government and ruling parties must give priority first to deliberation on the state budget bill for fiscal 2008. After that, it will aim at passage of the new anti-terror bill, but passage at the earliest would be after May, so the restarting of the refueling service would not be until June or later. That case also hinges on the sole option of re-voting in the Lower House and using the ruling camp's two-thirds strength there.

The DPJ inevitably will resist fiercely. After the Lower House passes the new bill, the DPJ will use such tactics in the Upper House as its right to pursue a policy investigation, so it is possible that deliberations could be blocked. If after Lower House passage, 60 days go by in the Upper House without voting action, and the ruling camp uses the provision that regards such as a rejection by the Upper House, the passage of the bill would not be until July or later. Accordingly, the restarting of refueling would not be until August.

7) On new antiterrorism legislation, lack of unity already seen in ruling camp

SANKEI (Page 5) (Excerpts)
October 18, 2007

The ongoing extraordinary Diet session has entered a crucial stage following the government's submission of a new antiterrorism bill to

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the Diet. The ruling camp has agreed to start deliberations on the bill at an early date, but some in the ruling camp have already begun to suggest that the bill should be carried over to an ordinary Diet session next year. The government regards enacting the bill in the current Diet session as one of the top priority agenda items. The discord in the ruling camp may lead to escalating the confusion in the Diet.

In an antiterrorism special measures committee meeting of the Liberal Democratic Party yesterday, in which the new bill was endorsed, former Vice President Taku Yamasaki, who chairs the ruling

camp's project team, said:

"To take a vote again in the House of Representatives, approval from the New Komeito is necessary. We should carry things out in a cautious manner in order to win public support."

His remark is tantamount to a suggestion that if the gap between ruling and opposition camps is not filled in Diet debate, a re-voting in the Lower House should be given up and deliberations should be carried over to the next regular Diet session. This suggestion stems from the judgment that if a vote is taken again in the Lower House, the opposition camp might issue a censure motion against the prime minister in the Council of Councillors and create an atmosphere for dissolution of the Lower House. This can be taken as reflecting the intention of the New Komeito, which is against an early dissolution.

Delivering a speech in Higashi Hiroshima on Oct. 13, former Secretary General Hidenao Nakagawa said: "We should also consider

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the possibility of carrying deliberations on the bill over to the next ordinary Diet session." A mid-ranking LDP official stated: "If the session is extended for a lengthy period, some effects might appear on deliberations on budget compilation and tax system reform."

However, if the bill is carried over, it will become more difficult to enact it in the ordinary Diet session. Japan will come under heavy fire from the international community. Moreover, the framework of maritime intercept operations will collapse and eventually the sea lanes for transporting Japan's oil may be exposed to danger.

Keeping such a possibility in mind, Chief Cabinet Secretary Nobutaka Machimura emphasized yesterday: "The bill should naturally be enacted in the extraordinary Diet session." Secretary General Bunmei Ibuki also categorically said: "To avoid confusion in the people's daily lives, I will risk my political life. Our basic policy is to enact the bill in the current Diet session."

8) US hopes for early resumption of MSDF refueling operation

NIKKEI (Page 3) (Full)
October 18, 2007

Hirotake Maruya, Washington

The Bush administration expects Japan to resume as soon as possible the Maritime Self-Defense Force's (MSDF) refueling mission after its suspension in the Indian Ocean, based on a new anti-terror law. US Joint Chiefs of Staff Director for Operations Lt. General Carter Ham revealed in a press briefing on Oct. 16 that the US was preparing for a possible suspension of Japan's refueling operation. He stated:

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"The US Central Command is now looking for ways to supply fuel once Japan discontinues its mission."

Coalition of the Willing member countries have suspended or scaled down their antiterrorism operations. Japan's suspension of its refueling mission would strengthen further criticism of the Bush administration's foreign policy, prior to the US presidential election next November.

Lt. General Ham expressed hopes for a continued refueling operation by Japan. State Department Deputy Spokesman Tom Kacy welcomed on the 17th the cabinet's adoption of a new refueling bill. The US government, however, in expectation of Japan's suspension of its refueling operation, has been considering alternative measures with an eye on a refueling operation by a US supply ship.

The US government is also preparing a statement specifying the details of refueling to pave the way for a continued Japan's refueling mission.

In this connection, former high US government official expressed

concern, saying: "If the refueling operation is not resumed at an early date, such will undermine the Japan-US alliance," after saying, "There will be no problem if the suspension is for a short period."

9) Cabinet adopts new antiterrorism bill; Top priority on securing public support for refueling mission

YOMIURI (Page 4) (Full)
October 18, 2007

In a new antiterrorism measures bill the cabinet adopted yesterday, the government placed top priority on obtaining the public understanding for continuing the Maritime Self-Defense Force's antiterrorism operations by underscoring the UN Security Council Resolution 1776 expressing appreciation for the maritime interdiction operation. However, the new legislation does not stipulate specific measures for preventing the diversion of fuel to vessels engaged in operations other than the maritime interdiction operation.

Article 1 of the new legislation states that the UNSC Resolution adopted on Sept. 19 stressed the need for Japan's continued refueling operation, while highly praising the maritime interdiction operation, including Japan's mission. This is the government's counterargument against Democratic Party of Japan President Ichiro Ozawa's assertion that the MSDF refueling mission is support for the US self-defense war and unconstitutional. Foreign Minister Masahiko Komura stressed in yesterday's cabinet meeting:

"The United Nations and other countries highly value our country's (refueling) operations. Since they have high hopes for the continuation of the operation, it is absolutely necessary for our country to continue the MSDF refueling operation."

The new legislation does not stipulate that Diet approval is needed, which the present Antiterrorism Special Measures Law does. The reason is that with the Diet divided -- the ruling camp holding a solid majority of the House of Representatives and the opposition bloc controlling the House of Councillors -- it would be difficult for the government to get Diet approval. In order to avoid being

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criticized by the opposition camp for playing down civilian control, however, the new bill limits the MSDF mission to the refueling operation alone. The government reasons that when the Diet approves a refueling law, ex post facto Diet approval is not necessary.

10) Diet interpellations

YOMIURI (Page 4) (Abridged)
October 18, 2007

The following is a gist of questions and answers in a meeting yesterday of the House of Councillors Budget Committee.

New antiterror legislation

Keiichiro Asao (Democratic Party of Japan or Minshuto): Are you ready to stake your position (for the Diet passage of a new antiterror legislation)?

Prime Minister Fukuda: This is a very serious challenge for me as a politician.

Asao: Will the legislation be sent to the House of Councillors?

Fukuda: I want to do my best so the new legislation will be enacted. However, when it comes to the Diet session, that is up to the Diet, so I can't say anything about it.

Asao: Do you think it's not a violation of the Antiterrorism Special Measures Law to engage (the Self-Defense Forces) in both missions: Operation Enduring Freedom (OEF) and Operation Southern Watch (OSW) in Iraq?

Foreign Minister Komura: Speaking from the law's principle, it's lawful if Japanese fuel is actually used for OEF. If they use up Japanese fuel when they are engaged in OEF, there's no problem at all.

11) DPJ to propose employing foreign security company as civilian guards

SANKEI (Page 5) (Abridged)
October 18, 2007

The leading opposition Democratic Party of Japan (Minshuto) is now preparing its own legislative measure for Japan's assistance to Afghanistan in its counterproposal to the government's new antiterror legislation. The DPJ, in its counterproposal, proposes sending civilians to Afghanistan to provide assistance to its people. In this regard, the DPJ has plans to employ a foreign private-sector security company instead of the Self-Defense Forces for the security of civilians, party sources revealed yesterday.

The DPJ's counterproposal features civilian assistance in various areas, such as education, medical support, and infrastructure construction. The question, however, is how to secure the safety of civilians in Afghanistan when they are sent there. In the DPJ, there were also arguments insisting on the necessity of sending Ground Self-Defense Force troops to escort civilians. "If we ask a foreign country to protect them, Japan won't be appreciated in the international community," one DPJ lawmaker asserted. However, the DPJ's leadership turned down their arguments. "It's inconceivable to

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send out SDF troops as our political judgment," DPJ Policy Board Chairman Masayuki Maoshima said. The DPJ therefore has plans to entrust a foreign country's private security company to provide for the security of the civilians, expecting that security company would hire local guards to protect the civilians.

One DPJ executive cited the fact that foreign countries' civilians and embassies in Afghanistan also hire foreign private security companies. "If Japan sends armed SDF troops there, the local favorable image of Japan will worsen," the DPJ executive said. The DPJ leadership therefore thinks that it is rational to use a private security company. However, one middle-ranking DPJ lawmaker said: "We need to secure them. But I wonder if we have to go so far as to avoid the SDF."

12) DPJ's Ozawa to continue to take "ambiguous strategy" on SDF dispatch

MAINICHI (Page 5) (Excerpts)
October 18, 2007

The government submitted a new bill to replace the Antiterrorism Special Measures Law to the Diet after it was endorsed at a cabinet meeting yesterday. Meanwhile, the Democratic Party of Japan (DPJ) has started work to draw up a counterproposal focusing on aid for public welfare. On the issue of dispatching Self-Defense Force (SDF) troops, a key theme in drafting a counterproposal, President Ichiro Ozawa intends to continue take an "ambiguous strategy" for the time being while watching moves to be taken by the government and the ruling camp.

In a press conference on Oct. 16, Ozawa stopped short of specifying the propriety of dispatch of SDF, just saying: "At this stage, I can't speak of the contents." In the monthly magazine Sekai released on Oct. 9, Ozawa revealed his plan to have the SDF participate in the International Security Assistance Force (ISAF) in Afghanistan if his party assumes political power. He defines it as constitutional for SDF troops engaged in operations endorsed by a United Nations resolution, like those by the ISAF, to use armed force overseas. Policy Research Council Chairman Masayuki Naoshima said: "It should be possible theoretically to dispatch SDF troops to the ISAF."

If the DPJ submits a bill specifying the dispatch of the SDF to the Diet, the government and the ruling parties, which deem the dispatch unconstitutional, and the DPJ, which views it as constitutional,

will inevitably clash over Ozawa's view, which Liberal Democratic Party's Policy Research Council Chairman Sadakazu Tanigaki called in a speech yesterday "an extremely peculiar interpretation of the Constitution." In such a case, the axis of conflict will become vague, resulting in upsetting Ozawa's strategy for a snap election after the House of Representatives is dissolved.

If the SDF-dispatch issue is excluded, it will be difficult to find a difference between the Ozawa proposal and the government's ongoing aid program. LDP Secretary General Fumiaki Ibuki said: "The government has already offered more than 120 billion yen in aid, though the aid is not endorsed by law."

In an executive meeting on Oct. 16, Ozawa said: "Our party will not dispatch a combat force," but a senior party member explained that Ozawa still leaves open the possibility of dispatching the SDF, saying: "He did not rule out the possibility."

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The DPJ is looking into sending (1) noncombat units, such as water-supply or medical units; and (2) not SDF troops but self-defense officials to such organizations as the Japan International Cooperation Agency.

However, leftwing members in the party have fiercely reacted to the Ozawa idea. House of Representatives Vice Speaker Takahiro Yokomichi, a member of the former Japan Socialist Party group, told Secretary General Yukio Hatoyama: "SDF troops absolutely should not be dispatched." A senior party member close to Ozawa also commented: "If the party decides to dispatch the SDF, party members will never be united." A senior member of the Policy Research Council engaged in crafting a counterproposal remarked: "We may work out a bill that stops short of mentioning whether to send the SDF vague."

13) Senior DPJ officials meet with former Deputy Assistant Secretary of State Campbell to confer on refueling operations

MAINICHI (Page 5) (Full)
October 18, 2007

Democratic Party of Japan (DPJ or Minshuto) Deputy President Naoto Kan, Secretary General Yukio Hatoyama and Vice President Seiji Maehara yesterday met at a Tokyo hotel with Kurt Campbell, deputy assistant secretary of defense during the Clinton administration. According to a participant in the meeting, Campbell sought explanations on the DPJ's stance toward the Maritime Self-Defense Force's refueling operations in the Indian Ocean.

Campbell, who has been urging Japan to continue its refueling operations, at first, requested a meeting with President Ozawa. He appears to have contacted the DPJ through a mutual contact between the opposition parties of the two countries with the aim of taking its pulse regarding why the DPJ will not change its opposition to continuation of the refueling operations. However, the DPJ judged that now would be a delicate time for the president to meet him, according to a senior party official. Kan, Hatoyama and Maehara, who is personally close to Campbell, instead met with him.

According to the same DPJ official, Campbell indicated understanding in the explanation given by the DPJ. When Hatoyama asked him whether there is an exit strategy regarding the situation in Afghanistan, Campbell reportedly rebutted, "There is no exit in the war to eliminate terrorism."

In the meantime, Ozawa met with Gerald Curtis, a professor at Columbia University of the US, at the party headquarters. Curtis also met with Prime Minister Yasuo Fukuda for about three hours on Oct. 13.

14) DPJ to submit to Upper House bill to scrap Iraq Special Measures Law

YOMIURI (Page 4) (Full)
October 18, 2007

The main opposition Democratic Party of Japan (DJP or Minshuto) decided yesterday to submit today to the House of Councillors a bill abolishing the Iraq Special Measures Law aimed at forcing a withdrawal of the Air Self-Defense Force troops deployed in Iraq.

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If the new antiterrorism law submitted yesterday to the House of Representatives is sent to the Upper House, the two bills will be discussed at the Upper House Committee on Foreign Affairs and Defense, whose chairmanship is held by the DPJ. Through deliberations on the bill scrapping the Iraq law, the DPJ intends to pursue the allegation that the Maritime Self-Defense Force operating in the Indian Ocean indirectly fueled a US aircraft carrier engaged in the Iraq war. The DPJ appears to be aiming to take the initiative in deliberations on the new refueling legislation in the Upper House by submitting its own bill to abolish the Iraq law.

15) Okinawa budget of 10 billion yen for economic measures remains unused

YOMIURI (Page 2) (Full)
October 18, 2007

It was learned yesterday that 10 billion yen allocated in this fiscal year's national budget to finance economic stimulation measures for the northern part of Okinawa Prefecture remains unspent. The government has included in this fiscal year's budget 5 billion yen to fund projects to construct roads and other facilities and another 5 billion yen to promote the IT industry. Until last year, the government used the budget funds for Okinawa economic measures in the summer. This year, however, the Defense Ministry has expressed disapproval of using the budget funds, citing that no progress has been made in negotiations between the central and local governments on the planned relocation of the US Marine Corps' Futenma Air Station in Ginowan to a coastal area of Camp Schwab.

The government aims to establish an alternative facility with a V-shaped pair of runways in a coastal area of Camp Schwab, but the Okinawa Prefecture and Nago City insist that the newly planned runway should be moved to an offshore site. No negotiations have been held between the government, the prefecture, and the local governments involved in the relocation plan since the third session this January. A senior Cabinet Office member takes the view that the budgeted funds might be carried over to next fiscal year if unused. Under the lead of Deputy Chief Cabinet Secretary Masahiro Fuchino, government agencies concerned, including the Cabinet Office and the Finance Ministry, will discuss and decide on what to do about the funds.

16) Northern Territories: "Tokyo Declaration has no binding power," Russian foreign minister takes hard-line stance before visiting Japan

YOMIURI (Page 2) (Full)
October 18, 2007

Responding to questions asked by some Japanese news companies prior to his visit to Japan starting on Oct. 23, Russian Foreign Minister Lavrov yesterday put his replies on the Russian Foreign Ministry's website. Regarding the Northern Territories, Lavrov pointed out that the 1956 Japan-USSR joint declaration, which stipulates the return of the Habomais and Shikotan after signing of a peace treaty, is evidence that both countries accepted the results of World War II. Concerning the 1993 Tokyo Declaration, which notes a resolution of the four islands issue, Lavrov indicated his country's view that it is a mere political paper that has no legally binding power. He thus clarified his stance toward talks on the issue, noting that the four northern islands belong to Russia.

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17) Fukuda to visit US on Nov. 17-19

MAINICHI (Page 1) (Full)
October 18, 2007

Prime Minister Yasuo Fukuda ordered final coordination yesterday for his visit to the United States on Nov. 17-19, his first foreign trip since assuming office. After the United States, he plans to attend the ASEAN+3 (Japan, China, and South Korea) and East Asian Summit to be held on Nov. 20-21 in Singapore and hold summit talks with Chinese Premier Wen Jiabao.

His visit to the United States ahead of Asian countries is also intended to play up the importance of the Japan-US alliance.

18) Banned fibrous meat found in US beef shipment: Fifth case since resumption of imports

TOKYO SHIMBUN (Page 3) (Full)
October 18, 2007

The Ministry of Agriculture, Fisheries and Forestry (MAFF) and the Ministry of Health, Labor and Welfare (MHLW) yesterday announced that 250 boxes of fibrous beef (approximately 1.5 tons), which were not included in the hygiene certificate issued by the US government, were found in a US beef shipment arrived at Kobe Port. This is the fifth case of products banned in Japan over safety concerns since imports resumed last summer. Japan will suspend for the time being procedures for imports from the plant that shipped the products in question.

The product in question was found in frozen beef shipments from the Dodge City plant of Cargill. Inspectors checked 124 cartons out of 1,333 (approximately 9 tons) that arrived on Sept. 20 and found three cartons containing the banned product. Inspectors then checked all boxes and found a large amount of such products.

Though fibrous meat is not a specified risk material (SRM), which has connection with BSE, it could be from cows aged 20 months or older, a violation of the import conditions set by Japan, because they are not attached with certificates.

SCHIEFFER